

Illinois Gov. J.B. Pritzker's Revenue Proposals for the Fiscal Year 2020 Budget

Estimated 2020					
Issue	Revenue (millions)	Explanation	Bill number	Sponsors	Status
Legalized recreational use of marijuana.	\$170	Allowing adults 21 and older to buy cannabis for recreational use from licensed dispensaries.	SB7	Sen. Heather Steans, Rep. Kelly Cassidy, both Chicago Democrats.	Amended language awaiting Senate Executive Committee hearing.
Legalized sports betting	\$212	Allowing betting on sports events and games, with possible betting at facilities such as casinos and racetracks and some form of online betting.	HB3308	Rep. Michael Zalewski, Democrat from Riverside.	After two committee hearings where opinions were aired but no action taken, legislation awaits assignment to a committee for a preliminary vote.
Plastic bag tax	\$20	To encourage consumers not to use single-use plastic shopping bags which critics contend threaten the environment. Proposals range from 5 cents to 10 cents per bag.	SB1240, HB3335	Sen. Terry Link, Democrat from Waukegan; Rep. Ann Williams, Democrat from Chicago.	Both bills are awaiting assignment to a committee for preliminary vote.
Cigarette tax	\$55	Pritzker proposed a 32-cent-per-pack hike in cigarette taxes and an increase to 64 percent of the wholesale price on other tobacco products from 35 percent. But Senate President John Cullerton has agreed to sponsor legislation to raise the per-pack tax by \$1, to \$2.98 per pack. Anti-smoking groups estimate that could nearly triple Pritzker's revenue estimates. Would include electronic cigarettes and materials, known commercially as "vaping" products, in the definition of "tobacco products" subject to	None	Sen. John Cullerton, a Chicago Democrat.	None
E-cigarette tax	\$10	tax.	SB1124	Sen. Terry Link.	Has been scheduled for a Senate floor vote since April 10.
Managed-Care Operation Assessment	\$390	A tax on MCOs which the state pays to provide health insurance coverage for Medicaid patients. It would likely prohibit MCOs from passing the cost on to consumers and the idea would be to increase state Medicaid funding that the federal government would match. Limiting to \$1,000 a month the amount retailers realize from the fee they receive for collecting the state's sales tax. The law allows retailers to keep 1.75% of the money they collect from the state's 6.25% tax on retail sales.	None	None	Likely to be part of overall budget negotiations.
Cap Retailers' Discount	\$75		SB1132, HB2079	Sen. Omar Aquino, Rep. Will Guzzardi, both Chicago Democrats.	Both bills are awaiting assignment to a committee for preliminary vote.

Decouple from Federal Tax Credit for Repatriated Corporate Income	<p>The 2017 tax-cut law allows U.S. corporations a deduction in federal tax paid on "intangible" income, or income from copyrights or other intellectual property, that they earn from foreign countries. If Illinois "decoupled," the state could tax the full amount on foreign-derived intangible income</p> <p>\$94 apportioned to Illinois.</p>	None	None	Likely to be part of overall budget negotiations.
Phase out Private School Scholarship Credit	<p>Under Illinois' 2017 school-funding reform law, donors to a private-school scholarship fund may receive a tax credit on their state taxes.</p> <p>\$5</p>	None	None	Likely to be part of overall budget negotiations.
Progressive Tax Structure for Video Gambling	<p>Graduated taxes on larger video-game operations based on net terminal income at the parent-company level, with income exceeding \$2.5 million annually taxed at 50%, up from the current 30% flat rate.</p> <p>\$89</p>	None	None	Likely to be part of overall budget negotiations.
Total	\$1,120			

Sources: Illinois Governor's Office of Management and Budget, Illinois General Assembly.